

### Income and Exclusions

1. Wages used in the determination of annual income are taxable wages, after deductions such as 401k contributions.
  - a. True
  - b. False\*\*
2. Expenditures for business expansion are used as deductions in determining net income from the operation of a business or profession.
  - a. True
  - b. False\*\*
3. Social Security amounts used in the determination of annual income include the gross amount prior to Medicare deductions.
  - a. True\*\*
  - b. False
4. Imputed welfare income is the amount of annual income not actually received by a family as a result of a specified welfare benefit reduction.
  - a. True\*\*
  - b. False
5. A resident service stipend is a modest amount not to exceed \$200 per year.
  - a. True
  - b. False\*\*
6. The PHA must not reduce a family's rent if the family's welfare payment is reduced as a result of:
  - a. Expiration of the family's lifetime limit on welfare benefits
  - b. Family does not provide a social security card to the welfare agency for their youngest child
  - c. The Welfare agency is collecting an overpayment due to an administrative error
  - d. Fraud committed by the family and verified by the welfare department \*\*
  - e. All of the above
7. In the Housing Choice Voucher program, the earned income disallowance applies to which of the following?
  - a. Head or spouse only
  - b. Head or spouse who is a person with disabilities
  - c. Any family member
  - d. Any family member who is a person with disabilities \*\*
  - e. Any of the above persons

## HCV and Public Housing Post-Test

---

8. Joe is in his phase-in period of the earned income disallowance. When he initially qualified for the disallowance of earned income he had a baseline of \$450 monthly (TANF) with no other income. Joe just called the PHA to report he got a raise at his current job. Joe's monthly income now consists of \$85 TANF and \$1,165 earnings. What is the monthly amount that will be excluded from Joe's income?
- a. \$225
  - b. \$358
  - c. \$400 \*\*
  - d. \$715
  - e. \$800
9. Annual Income includes:
- a. Payments under the Workforce Investment Act of 1998
  - b. Payments received for foster adults
  - c. Wages of a part time student \*\*
  - d. Earned income tax credit
  - e. Income of live-in aides

**For the following sources of income listed below**, (questions 10 through 16) identify whether the income must be included in annual income determination or excluded from annual income determination.

Mark "A" on your answer sheet if the income is to be included

Mark "B" on your answer sheet if the income is to be excluded

- |   |   |
|---|---|
| 10. Earnings of a temporarily absent spouse                       | A |
| 11. Amounts received under training programs funded by HUD        | B |
| 12. Adoption assistance payments in excess of \$480               | B |
| 13. Income of a live-in aide                                      | B |
| 14. Back child support payments paid to a family with no children | A |
| 15. Severance pay   | A |
| 16. Rent from property  | A |

**Assets and Asset Income**

17. PHAs must obtain verification of the past 12 months balance for checking accounts.
  - a. True
  - b. False\*\*
18. When the net cash value of all assets equal \$5000, the greater of imputed asset income or anticipated asset income is used to determine the final asset income.
  - a. True
  - b. False\*\*
19. Assets disposed of for less than fair market value during the two years preceding reexamination are considered in determining net family assets.
  - a. True\*\*
  - b. False
20. A lump sum payment received as a result of deferred periodic payments of SSI disability is counted as income.
  - a. True
  - b. False\*\*
21. Income from assets is counted in determining annual income.
  - a. True\*\*
  - b. False
22. PHAs may establish a policy not to include any assets that have a market value of less than \$100.
  - a. True
  - b. False\*\*
23. The amount counted for an asset disposed of for less than fair market value is:
  - a. The market value of the asset
  - b. The amount received for the asset that was disposed of
  - c. The greater of actual income received or imputed income
  - d. The difference between the market value and the actual payment received\*\*
  - e. The HUD passbook rate multiplied by the market value of the asset
24. Imputed income from assets is calculated by:
  - a. HUD approved passbook rate x annual income less expenses to convert to cash
  - b. HUD approved passbook rate x adjusted income less expenses to convert to cash
  - c. HUD approved passbook rate x net cash value of assets \*\*
  - d. HUD approved passbook rate x total market value of assets
  - e. None of the above

---

## HCV and Public Housing Post-Test

---

25. Which of the following is considered to be income from an asset?
- a. Stock dividends \*\*
  - b. Cash value of life insurance policy
  - c. Equity in real estate
  - d. Mutual Funds
  - e. All of the above
26. Contributions made to a company retirement or pension fund are counted as follows:
- a. Include as an asset the balance held in the account
  - b. Include as an asset the amounts the family can withdraw without retiring or quitting
  - c. Include as income periodic payments after the family member has retired
  - d. Both a and c
  - e. Both b and c \*\*

### Adjusted Income

27. The dependent allowance is \$480 for each household member (other than head or spouse) that is under 18 years of age, 62 years or older, a full time student or a person with a disability.
- a. True
  - b. False\*\*
28. An elderly family is defined as a family with a member who is at least 62 years of age.
- a. True
  - b. False\*\*
29. An elderly family or disabled family can qualify for medical expenses.
- a. True\*\*
  - b. False
30. The family does not have to be considered a disabled family in order to qualify for disability assistance expenses.
- a. True\*\*
  - b. False
31. Childcare expenses are prohibited if there is an adult in the home who is not working.
- a. True
  - b. False\*\*
32. A PHA may establish policy to include transportation costs to treatment as a medical expense.
- a. True \*\*
  - b. False

## HCV and Public Housing Post-Test

---

33. The elderly/disability allowance is a \$400 deduction for a family where the head, spouse, or sole member is either 62 years of age or older or a person with disabilities.
- a. True \*\*
  - b. False
34. Disability assistance expenses are allowed if auxiliary apparatus or attendant care, paid for by the family, enable a family member to work.
- a. True\*\*
  - b. False
35. If the disability assistance expenses are not greater than the 3% threshold, the remainder of the 3% threshold is deducted from the medical expenses.
- a. True\*\*
  - b. False
36. The PHA determines if childcare expenses claimed by the family are reasonable.
- a. True\*\*
  - b. False
37. Childcare expenses that are paid for by an adult member of an assisted family for a child who is not part of the assisted family are eligible childcare expenses.
- a. True
  - b. False \*\*
38. A PHA may adopt additional deductions from annual income for Public Housing.
- a. True \*\*
  - b. False
39. Which of the following is counted as a dependent?
- a. 17-year old spouse
  - b. 3-year old child of live-in aide
  - c. 38-year old person with disabilities (not head or spouse) \*\*
  - d. 6-year old foster child
  - e. All of the above
40. Which of the following is NOT true of disability assistance expenses?
- a. Disability assistance expenses include auxiliary apparatus
  - b. Disability assistance expenses must enable a family member to work
  - c. Disability assistance expenses must be reasonable
  - d. The allowable deduction is the amount that is in excess of 3% of the family's total annual income
  - e. Disability assistance expenses must enable a family member to work or attend school\*\*

## HCV and Public Housing Post-Test

---

41. Which of the following is NOT considered to be a disability assistance expense?
- a. Specific type of wheelchair needed for employment
  - b. Prescription medicines \*\*
  - c. Attendant care for a 28 year old son with disabilities
  - d. Special equipment to enable a sight impaired person to read or type
  - e. Costs of maintenance and upkeep of an auxiliary apparatus
42. Which statement below is true of permissive deductions?
- a. This is an optional deduction a PHA may adopt for Public Housing only \*
  - b. This is an optional deduction a PHA may adopt for Housing Choice Voucher (HCV) only
  - c. This is an optional deduction a PHA may adopt for Public Housing and HCV
  - d. None of the above
43. A foster child can qualify a family for the following deduction(s):
- a. Dependent deduction
  - b. Disability Assistance expenses
  - c. Child care expenses \*\*
  - d. All of the above
  - e. None of the above
44. Jeff Jones has just qualified for the earned income disallowance. He now has earnings of \$10,000 annually, in which \$8,500 is excluded during his initial exclusion period. In addition to his earnings he also receives Veterans benefits of \$3,000 annually. To enable Mr. Jones to work, he pays \$5,000 a year in childcare for his 6-year-old twins. What is the amount of childcare expenses used as a deduction?
- a. 0
  - b. \$1,500 \*\*
  - c. \$3,000
  - d. \$4,500
  - e. \$5,000
45. Selina Smith works one (8 hour) day a week earning \$2,400 per year. Selina has other income of \$12,000 per year. She has 3 children ages 2, 5 and 8 that require childcare while Selina works. Her total childcare costs for the year total \$5,200. What is the amount of childcare expenses used as a deduction?
- a. 0
  - b. \$2,400\*\*
  - c. \$2,600
  - d. \$5,000
  - e. \$5,200

## HCV and Public Housing Post-Test

---

**Review the family described below**, and mark the letter corresponding to the correct answer to each of the following questions on your answer sheet.

Head age 59  
Spouse age 55  
Mother-in-law of head age 79  
Sister of spouse with disability age 49  
Daughter age 29, full time student  
Son age 17 who has quit school  
Granddaughter age 2  
Foster child age 12  
Live-in Aide age 36

46. Who in the household qualifies this family for an elderly/disability deduction?
- a. Head age 59
  - b. Mother-in-law of head age 79
  - c. Sister of spouse with disability age 49
  - d. Both b and c
  - e. None of the above \*\*
47. Of the household members listed below, who qualifies for a dependent deduction?
- a. Mother-in-law of head age 79
  - b. Sister of spouse with disability age 49 \*\*
  - c. Foster child age 12
  - d. All of the above
  - e. None of the above
48. Of the household members listed below, who qualifies for a dependent deduction?
- a. Daughter age 29, full time student
  - b. Son age 17 who has quit school
  - c. Granddaughter age 2
  - d. All of the above \*\*
  - e. None of the above
49. Who in the household qualifies for medical expenses?
- a. Head age 59
  - b. Mother-in-law of head age 79
  - c. Sister of spouse with disability age 49
  - d. All of the above
  - e. None of the above \*\*
50. Who in the family could qualify for child care expenses?
- a. Granddaughter age 2
  - b. Foster child age 12
  - c. Sister of spouse with disability age 49
  - d. Both a and b \*\*
  - e. None of the above

### Rent Concepts

51. The PHA may establish a minimum rent up to \$50.
  - a. True\*\*
  - b. False
52. In Public Housing the PHA pays a utility reimbursement payment when the family's TTP is less than the utility allowance.
  - a. True \*\*
  - b. False
53. In Public Housing, the formula to calculate tenant rent for a family who pays flat rent is the Unit flat rent minus utility allowance.
  - a. True
  - b. False\*\*
54. The payment standard is the maximum monthly assistance payment in the housing choice voucher program.
  - a. True\*\*
  - b. False
55. The monthly housing assistance payment paid on behalf of a family in the housing choice voucher program is calculated by subtracting TTP from the payment standard.
  - a. True
  - b. False \*\*
56. The PHA must maintain a utility allowance schedule for tenant-paid utilities.
  - a. True\*\*
  - b. False
57. Public Housing maximum rents are only used for mixed families.
  - a. True\*\*
  - b. False
58. Public Housing maximum rents are published annually in the federal register.
  - a. True
  - b. False\*\*
59. If a PHA has ceiling rents they are not required to have flat rents.
  - a. True
  - b. False \*\*
60. The PHA may establish a separate payment standard amount for a designated part of their FMR area as long as they stay within the basic range.
  - a. True \*\*
  - b. False



## HCV and Public Housing Post-Test

---

61. In the housing choice voucher program, the family will never pay less than TTP as their family share.
- a. True\*\*
  - b. False
62. The form HUD-9886 Authorization for Release of Information permits the PHA and HUD to obtain information from the Welfare agency.
- a. True
  - b. False\*\*
63. If a PHA changes its payment standard amounts, the new payment standard will be applied at the time the PHA conducts an interim for the family.
- a. True
  - b. False\*\*
64. The family share in the housing choice voucher program is always equal to the TTP.
- a. True
  - b. False\*\*
65. For a family responsible for tenant supplied utilities in the housing choice voucher program, the PHA pays a utility reimbursement payment under what circumstances?
- a. The family's TTP is greater than the utility allowance
  - b. The gross rent is greater than TTP
  - c. The housing assistance payment exceeds the rent to owner \*\*
  - d. The housing assistance payment exceeds the gross rent
  - e. There are no utility reimbursement payments in the housing choice voucher program
66. For a family who qualifies for a utility reimbursement payment, the PHA makes this payment to:
- a. The family
  - b. The utility supplier on behalf of the family
  - c. Either the family or the utility supplier per PHA policy \*\*
  - d. The owner
  - e. HUD
67. Which statement below is true of maximum family share at initial occupancy?
- a. Applies for all new admissions
  - b. Applies for participants moving to a new unit
  - c. Applies when the gross rent of a unit exceeds the payment standard
  - d. Verification of adjusted monthly income cannot be older than 60 days prior to voucher issuance
  - e. All of the above \*\*

---

## HCV and Public Housing Post-Test

---

68. Which statement is NOT true of Public Housing flat rents?
- a. Flat rents are based on the PHA's determination of the rental value of the unit
  - b. Flat rents are required for families whose TTP exceeds the flat rent amount \*\*
  - c. Flat rents are designed to avoid creating disincentives for continued residency by families who are attempting to become economically self-sufficient
  - d. The PHA must consider factors such as location, age of unit, type and size of unit when determining flat rent amounts
  - e. All of the above are true

**Review the family and unit described below**, and mark the letter corresponding to the correct answer to each of the following questions on your answer sheet.

The following details are for a family assisted under the housing choice voucher program.

Unit size selected:	4-bedroom
Rent to owner:	\$1,500
Family's TTP:	\$375
Utility Allowance:	YES
Voucher Family Unit Size:	3
3 BR Payment Standard:	\$1,350
4 BR Payment Standard:	\$1,650
3 BR Utility Allowance:	\$105
4 BR Utility Allowance:	\$125

69. What is the payment standard used for this family?
- a. \$1,350 \*\*
  - b. \$1,500
  - c. \$1,605
  - d. \$1,625
  - e. \$1,650
70. What is the utility allowance used for this family?
- a. 0
  - b. \$105
  - c. \$125 \*\*
  - d. \$225
  - e. \$375
71. The monthly housing assistance payment for this family is:
- a. \$975 \*\*
  - b. \$1,125
  - c. \$1,230
  - d. \$1,250
  - e. \$1,275

## HCV and Public Housing Post-Test

---

72. Under which circumstances can a Public Housing resident switch from Flat Rent to Income-based Rent?
- a. Between annual reexaminations due to a hardship
  - b. Annually the family has a choice to pay flat rent or income-based rent
  - c. Both a and b \*\*
  - d. None of the above
73. Under which circumstances can a Public Housing resident switch from Income-based Rent to Flat Rent?
- a. Between annual reexaminations due to a hardship
  - b. Annually the family has a choice to pay flat rent or income-based rent \*\*
  - c. Both a and b
  - d. None of the above
74. Which of the following statements below are NOT true of minimum rent hardship exemptions?
- a. Exempting minimum rent will result in the family's Total Tenant Payment being equal to zero \*\*
  - b. If the family requests an exemption, the PHA must suspend the minimum rent requirement the beginning of the following month
  - c. The PHA must determine if the hardship exists and whether it is temporary or long term
  - d. The PHA may not evict a Public Housing family for non payment of minimum rent during the 90 day suspension period
  - e. For long term hardships, the PHA must exempt the family from the minimum rent requirement until the hardship no longer exists
75. The family share in the housing choice voucher program is calculated by:
- a. Subtracting the amount of the housing assistance payment from the gross rent \*\*
  - b. Subtracting the utility allowance from TTP
  - c. Subtracting 30% of monthly adjusted income from the payment standard
  - d. Subtracting 30% of monthly adjusted income from the gross rent
  - e. Subtracting the TTP from the rent to owner
76. Utility allowances are based on:
- a. The amount of utilities the family actually pays
  - b. The average cost of utilities paid by participants in the housing choice voucher program
  - c. The average cost of utilities paid by Public Housing residents
  - d. Both b and c
  - e. Actual utility rates and average consumption for the community as a whole \*\*

77. When there is a change in family composition that results in the change of their payment standard, the new payment standard amount will be applied:
- a. As of the effective date of the interim for the family composition change
  - b. As of the first regular reexamination after the family composition change \*\*
  - c. As of the second regular reexamination after the family composition change
  - d. According to PHA policy
  - e. The family must move whenever there is a family composition change
78. Examples of hardship exemptions to minimum rents include all of the following except:
- a. Death in the family
  - b. Income of the family has decreased because of changed circumstances
  - c. Family would be evicted because they are unable to pay the minimum rent
  - d. Family was sanctioned by a welfare agency for fraud \*\*
  - e. Other circumstances determined by the PHA

**Rental Integrity Monitoring and Verification**

79. Once a field office has completed and submitted the Error Tracking Reports to Headquarters, no further follow-up on a RIM review is necessary.
- a. True
  - b. False\*\*
80. If there are obvious discrepancies between the third party verification and documents supplied by the family, the PHA should:
- a. Always use the third party form
  - b. Always use the information supplied by the family
  - c. Take an average of the two sources
  - d. Use the method that benefits the family
  - e. Contact the source of the third party verification \*\*
81. Third party verifications include computerized earning statements delivered by the family.
- a. True
  - b. False\*\*
82. The Authorization for Release of Information, HUD form-9886, gives HUD and PHAs the authority to obtain third party verification from any source.
- a. True
  - b. False\*\*
83. If third party verification of annual and adjusted income was not obtained, the PHA must document the file to explain why third party verification was not available.
- a. True\*\*
  - b. False

## HCV and Public Housing Post-Test

---

84. What type of income can be verified using the Tenant Assessment Sub-System (TASS)?
- a. Unemployment compensation
  - b. TANF
  - c. Social Security/SSI \*\*
  - d. Wages
  - e. All of the above
85. Currently, up-front income verification (UIV) sources are available to verify the following types of income:
- a. Earned income
  - b. Social Security
  - c. Unemployment compensation
  - d. All of the above \*\*
86. A difference between up-front income verification (UIV) and third-party written verification is that UIV relies on information provided by an independent source rather than on a source declared by the family.
- a. True\*\*
  - b. False
87. HUD has set goals for reducing income and rent errors in accordance with the following schedule:
- a. 5% by FY 2003, 15% by FY 2004, and 30% by FY 2005
  - b. 10% by FY 2003, 25% by FY 2004, and 40% by FY 2005
  - c. 15% by FY 2003, 30% by FY 2004, and 50% by FY 2005 \*\*
  - d. 20% by FY 2003, 40% by FY 2004, and 60% by FY 2005
88. All RIM follow-up reviews must be completed by field offices no later than September 30, 2003.
- a. True\*\*
  - b. False

---

## HCV and Public Housing Post-Test

---

**Housing Choice Voucher Case Study** – You have been provided the Davis family case file for calculation and review. The contents of the case file include: family file documents, family provided documents, and third-party verifications. Also provided is part of the Cubzide City PHA Administrative Plan needed to complete your calculation.

### Step 1

Complete a calculation for the Davis family using the provided RIM Tenant File Review Checklist Worksheets. Test questions 89 – 94 are based on the calculation.

Mark the letter for the correct answer on your Scantron answer sheet. Credit will *not* be given for answers only listed on the RIM Tenant File Review Checklist Worksheets.

- |  |                                      |
|--|--------------------------------------|
| 89. Total Annual Income                | 92. Total Allowances                 |
| a. \$975                               | a. \$679                             |
| b. \$1,290                             | b. \$880                             |
| c. \$1,455                             | c. \$1,159 **                        |
| d. \$1,658                             | d. \$1,202                           |
| e. \$1,770 **                          | e. \$1,216                           |
| 90. Imputed Asset Income               | 93. Total Family Share               |
| a. \$202                               | a. 0                                 |
| b. \$203 **                            | b. \$11                              |
| c. \$211                               | c. \$25 **                           |
| d. \$215                               | d. \$115                             |
| e. \$315                               | e. \$129                             |
| 91. What is the Utility Reimbursement? | 94. Total Housing Assistance Payment |
| a. \$0                                 | a. \$950                             |
| b. \$129                               | b. \$1,065 **                        |
| c. \$115 **                            | c. \$1,079                           |
| d. \$25                                | d. \$1,090                           |
| e. \$11                                | e. \$1,115                           |

### Step 2

A PHA-completed HUD – 50058 has been provided; using the PHA’s 50058 and *your* completed RIM Tenant File Review Checklist Worksheets, complete your review using the Appendix A Tenant File Review Checklist. Test questions 95 – 100 are based on your findings.

Based on your findings from the completed Appendix A Tenant File Review Checklist, answer yes or no to the following questions.

Mark A (true) on your answer sheet for Yes, the PHA is in compliance.

Mark B (false) on your answer sheet for No, the PHA is not in compliance.

- 95. Is the Final Asset Income correct?
  - a. Yes \*\*
  - b. No
- 96. Total Annual Income accurately calculated, verified and documented?
  - a. Yes
  - b. No \*\*
- 97. PHA accurately calculating net cash value of Assets?
  - a. Yes
  - b. No \*\*
- 98. Correct Utility Allowance Used, computed accurately?
  - a. Yes \*\*
  - b. No
- 99. Total All Deductions accurately calculated; verified and documented?
  - a. Yes
  - b. No \*\*
- 100. TTP accurately calculated?
  - a. Yes
  - b. No \*\*